The Honorable James L. Robart

## UNITED STATES DISTRICT COURT WESTERN DISTRICT OF WASHINGTON AT SEATTLE

FOREST GLADE HOMEOWNERS ASSOCIATION, a Washington non-profit entity,

Plaintiff,

v.

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ALLIED MUTUAL INSURANCE COMPANY, a foreign corporation, NATIONWIDE MUTUAL INSURANCE COMPANY, a foreign corporation, and WESTPORT INSURANCE CORPORATION, a foreign corporation, STATE FARM FIRE AND CASUALTY COMPANY, a foreign corporation, and THE TRAVELERS INDEMNITY COMPANY OF AMERICA, a foreign corporation,

Defendants.

NO. C07-1762 JLR

DECLARATION OF JOHN T.
PETRIE IN SUPPORT OF
OPPOSITION TO MOTION TO
DISMISS OR STAY

I, John T. Petrie, the undersigned, being first duly sworn, on oath deposes and says:

- 1. I am one of the attorneys representing the Plaintiff, Forest Glade Homeowners Association, in the above-entitled action. I am of legal age and otherwise competent to testify to the matters stated herein based on my own personal knowledge of my client's files and the records in this matter.
- 2. Attached to this declaration as 5 through 9 are true and correct copies of the cover pages of insurance contracts executed by and between Plaintiff and Travelers Indemnity

DECLARATION OF JOHN T. PETRIE IN SUPPORT OF OPPOSITION TO MOTION TO DISMISS OR STAY - 1 No. C07-1762 JLR



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Company of America ("Travelers") reflecting coverage from April 1984 through April 1989. These are declaration pages of the Travelers insurance policies provided to me in response to my request in the December 30, 2008 notice of claim letter sent to Travelers.

- 3. During fall 2006 Plaintiff retained architects and engineers to conduct an investigation to determine the potential damage from moisture intrusion, dry rot and decay to structural framing of Plaintiff's buildings. In October 2006 Plaintiff's structural engineers notified Plaintiff of severe decay in portions of some of its condominium buildings.
- 4. Plaintiff received a copy of the expert structural engineering report made by Pacific Engineering Technologies, Inc. ("PET") on October 14, 2008.
- 5. Plaintiff received a copy of the expert structural engineering report made by JRP Engineering, Inc. on October 14, 2008. The PET and JRP reports identified substantial structural impairment occurring in the buildings as early as the Travelers' policy periods (1984-89).
- 6. After research of Plaintiff's insurance coverage documentation back to the dates PET and JRP dated the substantial structural impairment, Plaintiff filed a Motion to Amend to Add Parties on December, 18, 2008, to include its insurers during the times these engineering reports reflected substantial structural impairment.
- 7. Plaintiff sent Travelers a notice of claim on December 30, 2008 regarding Plaintiff's insured status. Travelers has commenced an investigation. Travelers has requested documents from the plaintiff and these were provided on February 4, 2009. Further, I met with representatives of Travelers on the Forest Glade premises on February 3, 2009. Travelers has not notified me that it could not conduct its investigation within thirty days from its receipt of the notice of claim on January 5, 2009 and has not requested an extension of the WAC 284-30-300 deadline for conducting an investigation of this claim.
- 8. Attached to this declaration as pages 10 through 13 is a true and correct copy of the correspondence sent to me by Travelers' representative Dan MacLaughlin.

- 9. Plaintiff has submitted bids to repair the damage to its buildings. Bids have been returned and plaintiff expects commencement of construction on or about May 1, 2009 with completion approximately 9 to 12 months later.
- 10. Plaintiff has been corresponding with Travelers' counsel and I have provided to Travelers' counsel engineering reports, historical meeting minutes and other historical records consistent with the Federal Rules of Civil Procedure 26. Travelers' counsel has also requested and received from counsel for Allied, Nationwide, and Westport copies of their initial discovery.
- 11. While the present litigation is ongoing, Plaintiff is incurring costs of investigation and remedial work to its buildings that it believes are covered under its insurance policies, but its insurers have yet to affirm coverage.
- 12. Plaintiff's costs for investigation and remedial work, as of January 2008, have already been in excess of \$100,000 and Plaintiff has incurred substantial architect fees during the past 12 months for the investigation and design of an appropriate repair. I have not seen these invoices but expect these architectural fees alone during the year 2008 exceed an additional \$50,000.

I declare under penalty of perjury under the laws of the State of Washington and the laws of the United States that the foregoing is true and correct.

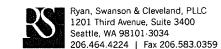
DATED this 23rd day of February, 2009 at Seattle, Washington

John T. Petrie

# CERTIFICATE OF SERVICE

I hereby certify that on February 23, 2009, I electronically filed the foregoing document with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the following:

DECLARATION OF JOHN T. PETRIE IN SUPPORT OF OPPOSITION TO MOTION TO DISMISS OR STAY - 3
No. C07-1762 JLR



Lawrence Gottlieb Catherine E. Pruett Betts Patterson & Mines, PS 701 Pike St, Ste 1400 Seattle, WA 98101-3927 Counsel for Defendants Allied and Nationwide

Craig H. Bennion Cozen O'Connor 1201 Third Ave, Ste 5200 Seattle, WA 98101-3071 Counsel for Defendant Westport

James T. Derrig Eklund Rockey Stratton, P.S. 521 Second Ave W Seattle, WA 98119-3927 Counsel for Defendant Travelers

M. Colleen Barrett
Barrett & Worden, P.S.
2101 Fourth Ave, Ste 700
Fourth and Blanchard Bldg
Seattle, WA 98121
Counsel for Defendant State Farm

DATED this 23<sup>rd</sup> day of February, 2009.

John T. Petrie, WSBA #4848

Attorneys for Plaintiff

1201 Third Avenue, Suite 3400 Seattle, Washington 98101-3034

Telephone: (206) 464-4224 Facsimile: (206) 583-0359 E-mail: petrie@ryanlaw.com

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- FOREST GLADE HOMECWNERS ASSOCIATION C/O BEN SPENCER
- 14609 NE 40TH, UNIT K-5
- BELLEVUE KING CO WA 98007

04-22-84to (Month, Day, Year) Effective from 04-22-85 (Month, Day, Year) 12 Noon Standard Time, at the Named Insured's mailing address.

LOC. NO.

BLDG. NO.

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OCCUPANCY

40-UNIT CONDO

ADDRESS (Same as mailting address unless specified otherwise) 14609 NE 40TH, BELLEVUE WA

The Named Insured is:

Individual

Partnership

Corporation

ASSOC.

### POLICY SECTIONS AND INSURING COMPANY

The Travelers agrees with the Named Insured to provide insurance under a section of this policy and in the company (each a stock company) designated by the entry of an "X" and the insuring company abbreviation. This policy is executed by The Travelers on the reverse hereof. The Travelers Indemnity Company, IND; The Charter Oak Fire Insurance Company, COF; The Travelers Indemnity Company of Rhode Island, TRI; The Phoenix Incurance Company, PHX; The Travelers Insurance Company, INS; The Travelers Indemnity Company of America, TIA; The Travelers Indamnity Company of Illinois, TIL.

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Insuring Company:

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X \*GENERAL LIABILITY - SECTION II.

**Insuring Company:** 

\*AUTOMOBILE LIABILITY - SECTION III.

**Insuring Company:** 

\*AUTOMOBILE PHYSICAL DAMAGE - SECTION IV.

Insuring Company:

\*WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - SECTION VI. If this Section applies, its complete provisions are contained in separate Policy No. Insuring Company:

**Insuring Company:** 

**DECLARATIONS, FORMS AND ENDORSEMENTS** 

The declarations, forms and endorsaments for which symbol numbers are entered below are made part of the puricy.

Section

**Declarations** 

Forms and Endargements

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III, IV

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General Declarations

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General Declarations

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General Declarations

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Case 2:07-cv-01762-JLR

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CONDOMINIUM PAC: SELECT (193) \*POLICY NO.650-975F893-5-TIA-87 NAMED INSURED AND MAILING ADDRESS . BUSINESS CONDO ASSOCIATION

- FOREST GLADE HOMEOWNERS ASSOCIATION C/O BEN SPENCER
- 14609 NE 40TH UNIT K-5

BELLEVUE KING CO WA 98007

Effective from 04-22-87 to (Month, Day, Year) 04-22-88: (Month, Day, Year) 12 Noon Standard Time, at the Named Insured's mailing address.

LOC. NO.

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BLOG. NO

1-13

OCCUPANCY 40 UNIT CONDO

ADDRESS (Same as mailing address unless specified otherwise) 14609 NE 40TH BELLEVUE WA

The Named Insured is:

Individual

Partnership

Corporation

ASSOC.

# POLICY SECTIONS AND INSURING COMPANY

The Travelers agrees with the Named Insured to provide insurance under a section of this policy and in the company (each a stock company) designated by the entry of an "X" and the insuring company abbreviation. This policy is executed by The Travelers on the reverse hereof. The Travelers Indemnity Company, IND; The Charter (lak Fire Insurance Company, COF; The Travelers Indemnity Company of Rhode Island, TRI; The Phoenix Insurance Company, PHX; The Travelers Insurance Company, INS: The Travelers Indomnity Company of America, TIA: The Travelers Indomnity Company of Illinois, TIL.

X .PROPERTY - SECTION I.

Insuring Company:

TIA

X .GENERAL LIABILITY - SECTION II.

Insuring Company:

TIA

\*AUTOMOBILE LIABILITY - SECTION III.

Insuring Company:

· AUTOMOBILE PHYSICAL DAMAGE - SECTION IV.

**Insuring Company:** 

S' LIABILITY – SECTION VI. ontained in separate Policy No.

Insuring Company:

Insuring Company:

I numbers are entered below are made part of the policy.

Forms and Endorsements

MP 0240, 0280A, MP 101-2

MP 1116, MP 123-1, PR 129-2, 8000(2)

MP 110-1, MP 177

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**General Declarations** 

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Soneral Declarations



January 21, 2009

Mail Address: 6920 Roosevelt Way N.E. #284 Seattle, WA 98115

Dan McLaughlin, AIC Director Commercial Property Claim

Major Case Unit Phone (206) 525-8917 Fax (877) 284-9887

John T. Petrie, Esq.

(sent via Email & US Mail)

Ryan, Swanson & Cleveland, PLLC. 1201 Third Avenue, Suite 3400 Seattle, WA 98101-3034

RE:

Insured:

Forest Glade Homeowners Association (reported as)

Location:

14609 NE 40th Bellevue, Washington 98007

Policy No's.: 659-975F893-5-TIA-84 and 659-975F893-5-TIA-85 (reported as)

Claim No.:

A8W7213

Date of Loss: (To be determined)

Dear Mr. Petrie:

This letter is being sent in follow up to our discussion of January 15, 2009 regarding your letter dated December 30, 2008 and which was addressed to The Travelers Indemnity Company of America, One Tower Square, Hartford, CN [sic CT]. Your letter states that "Travelers" issued policies to "Forest Glade" between 1984 and 1992. While the existence of any policy(s) issued to Forest Glade by "Travelers" is still to be determined, for purpose of this letter and in keeping with your alleged policy reference above, the company name of "Travelers" will be referenced in this acknowledgement of your notice of claim letter dated December 30, 2008.

Travelers is aware that contemporaneously with your notice of claim letter to Travelers, on behalf of Forest Glade Homeowners Association, you filed a lawsuit naming Travelers, amongst others, as a defendant. Your notice of claim letter alleges that "some of the substantial structural impairment" of the Forest Glade "buildings" "commenced or occurred during the terms of the Travelers policies referenced above."

Regarding Forest Glade's simultaneous filing of this lawsuit naming The Travelers Indemnity Company of America as a defendant, Travelers has retained Mr. James T. Derrig, Esq., of Eklund Rockey Stratton, P.S., to defend it regarding this lawsuit. The simultaneous presence of litigation will make Travelers' response to and communication with respect to the claim more cumbersome than normal. By responding to the claim, Travelers is not authorizing opposing counsel in a lawsuit to directly contact any agent or employee of Travelers other than Travelers' attorney, Mr. Derrig. On occasion I will be sending correspondence directly to you, in your capacity as the insured's representative, in connection with the claim. To the extent a response is necessary, please respond only in writing, and address the writing to me "c/o James T. Derrig" at his address.

1/21/2009

Insured: Forest Glade Homeowners Association (reported as)

Claim No.: A8W7213

With your letter you requested that Travelers provide you with "copies of all Travelers' policies issued to Forest Glade Condominiums between 1984 and 1992." Travelers has commenced a policy search, but it will take some time to complete it. To aid Travelers in responding to your request please provide any and all property insurance information held by your office, Forest Glade, Forest Glades' insurance agent or broker, or others, that references, supports, or relates to the existence of any and all policy(s) issued by "Travelers" for the period listed in your letter. This includes but is not limited to any and all insurance policy information, copies of the policy(s), policy numbers, and any information that is purported to prove the existence of a Travelers policy issued during the period you allege Travelers issued insurance policies.

Please also provide the following documents:

- 1. A full description and details of direct physical damage to the property from an insured peril or event, including reports and cost or estimates. This information should include the exact location of each condition being claimed with details of the date first discovered and by whom.
- 2. Copies of all past, present and future reports, memorandums, letters, or other written documentation, received or issued, including those transmitted electronically, completed relative to the conditions being claimed since the time of construction of this facility.
- 3. A list naming all contractors, architects, and engineers involved with the original construction and design of the facility and the any subsequent repairs, renovations, maintenance, and investigative work related to the damage or to the cause and origin of the damage involved in this claim. Please include address, contact name, telephone number and the general tasks performed by that contractor, architectural firm or engineer.
- 4. Copies of all reports, investigative material, letters, estimates, and any other material prepared on this matter by any consultant, architect, engineer, contractor, or others. Please also include color copies of the photographs that are parts of the following reports: Dibble Engineers, Inc report (10-16-06); Pacific Engineering Technologies report (10-9-08); and JRP Engineering report (10-13-08).
- 5. Copies of all contracts or other agreements signed relative to the construction, maintenance and repair of the facility since the time of construction.
- 6. Copies of all maintenance history records and logs for the facility held by Forest Glade, by any maintenance company, and those held by any property management company since the time of construction.

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7. Color copies of any and all photographs taken as conditions were discovered. If your photos include photocopies that are not color, please also provide same. Please also provide copies of any video tapes taken at the property in any way related to this claim.

- 8. Complete copy of the As-Built Drawings and specifications for the facility and any subsequent building plan drawings produced.
- 9. Detailed information and documentation relative to the timing of the occurrences and/or discoveries of the conditions.
- 10. Copies of all Forest Glade Homeowners Association ("Forest Glade HOA") meeting minutes form 1976 to present. Please also identify all such meeting minutes that may have been taken relative to the condition, maintenance and/or repair of the building.
- 11. Copies of all correspondence between Forest Glade HOA, its Board of Directors, any officer, the condominium association, unit owners, consultants, architects, engineers, maintenance, contractors, and any other person or entity with regard to this matter.
- 12. List of all unit owners that held/hold a position on the condominium association/board including unit, name, phone number, and any position they hold/held from 1976 to present.
- 13. The basis on which Forest Glade HOA believes the conditions being claimed may be covered under the various policies cited in your letter.
- 14. A complete listing of any other insurance policies under which claim is being made, including policy number, inception and expiration dates and type of coverage provided.
- 15. A complete listing of all insurance policies issued to Forest Glade HOA since the start of construction.
- 16. All information on any and all previous property damage claims and settlements for any damage claimed by Forest Glade HOA.
- 17. Any other documents which you or Forest Glade HOA believe are material to the claim.
- 18. Advance notice of any testing, inspection, or investigation, particularly destructive testing so that we may have an opportunity to attend the same.

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Please be advised this above list of requested information is not intended to be all-inclusive and additional requests for documentation may be necessary. Thank you in advance for your anticipated cooperation. In the meantime, all terms and conditions of the policy remain in effect. Travelers continues to reserve all rights and defenses which exist now or which may arise in the future, including but not limited to those based on the terms of the policy, the conduct of the parties, or the passage of time. No waiver or estoppel of any sort is intended and none should be inferred.

Lastly, Travelers or Mr. Derrig will contact your office shortly to arrange for an inspection of the premises.

Sincerely,

Dan McLaughlin

Director

CC: James T. Derrig, Esq., Eklund Rockey Stratton, P.S.,

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